



Health Services
LOS ANGELES COUNTY

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Interim Chief Medical Officer

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November 17, 2009

REVISED

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19 NOVEMBER 17, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO AGREEMENT FOR
INTRA-OPERATIVE MONITORING SERVICES
(SUPERVISORAL DISTRICT 4)
(3 VOTES)**

SUBJECT:

Request approval to amend the Agreement with Global Neurodiagnostics for Surgical Intra-Operative Monitoring Services.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Interim Director of Health Services, or his designee, to execute Amendment No. 4 to Agreement Number H-700047 with Global Neurodiagnostics (Global) to increase ~~delete~~ the Agreement's annual maximum obligation provision from \$103,075 to \$150,000, effective upon Board approval for services provided after Board approval, with no changes to the rates or any other provisions. ~~The total estimated annual cost for intra-operative neurodiagnostic monitoring services is \$138,000.~~

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendation will authorize the Interim Director to execute Amendment No. 4, substantially similar to Exhibit I, to ~~delete~~ change the annual maximum obligation provision from the Agreement to give Harbor-UCLA Medical Center (Harbor) and Rancho Los Amigos National Rehabilitation Center (Rancho) more flexibility to meet the increasing patient demand for critically needed surgical intra-operative monitoring services.

Under the Agreement, Global operates its own neurodiagnostic equipment. This equipment generates critical data during spinal and neurological surgical procedures and provides early warning of impending neurologic deficits that may occur because of surgery. The

equipment and trained staff are available to Harbor and Rancho 24 hours a day, seven days a week.

The need for intra-operative neurodiagnostic monitoring services at Harbor and Rancho will soon exceed the amount of services allowed under the Agreement as determined by the maximum obligation. Annual increases to the maximum obligation allowed by the Agreement have not been sufficient to keep up with the increased demand for such services since the services are patient driven and the need for services fluctuates. In addition, each surgery is unique and varies in length of time. Therefore, charges will vary and estimating an accurate usage rate for these contracted services is difficult. ~~by removing the maximum obligation which restricts the amount of contracted services, Harbor and Rancho will be able to access these critical services through the Agreement, as needed, to meet patient demand.~~

The Agreement is slated to expire on December 31, 2011.

Implementation of Strategic Plan Goals

The recommended action supports Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Cost for these services vary from year to year. The current maximum obligation for the period January 1, 2009 through December 31, 2009 is \$103,075. To date, current 2009 expenditures are \$94,733. The recommended increase in the annual maximum obligation is for services provided after Board approval. The total estimated cost for intra-operative neurodiagnostic monitoring services for Fiscal Year (FY) 2009-10 is \$102,000, with an estimated cost of \$72,000 for Harbor, and \$30,000 for Rancho. Funding is included in the FY 2009-10 Final Budget, and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 17, 2003, your Board approved 71 new agreements for critical services which were previously provided under purchase orders and had reached or exceeded the Purchasing Agent's statutory authority of \$100,000. The conversion from purchase orders to new contracts required the approval of your Board for the continuation of these services, as well as a mechanism to make payments for the services rendered to the County. Services provided by Global were part of the 71 agreements approved by your Board, effective for the period of July 1, 2003 through December 31, 2003.

Most recently, on December 19, 2006, your Board approved an Amendment to extend the term of the Agreement with Global effective January 1, 2007 through December 31, 2011, for the provision of intra-operative neurodiagnostic monitoring at Rancho and Harbor.

On October 19, 2009, the Treasurer and Tax Collector notified departments that your Board adopted a new Defaulted Property Tax Reduction Program Ordinance, effective August 20, 2009, and issued the Implementation Instructions with an effective date of October 20, 2009. As a result of the recent notification, the specific Agreement language was not available at the time this amendment was negotiated with Global Neurodiagnostics. Therefore, this Amendment does not include the required language. The Department will add this new contract language in an upcoming amendment.

County Counsel has reviewed and approved Exhibit I as to form.

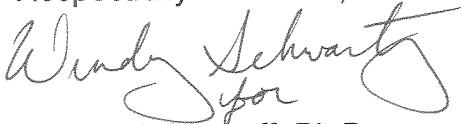
CONTRACTING PROCESS

Not Applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended action will give Harbor and Rancho the flexibility to meet the patient demand for these critical patient care services.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Windy Schunhoff" with a large flourish at the end.

John F. Schunhoff, Ph.D
Interim Director

JFS:ev

Attachment

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

SURGICAL INTRA-OPERATIVE MONITORING SERVICES AGREEMENT

AMENDMENT No. 4

THIS AMENDMENT is made and entered into this _____ day of _____, 2009,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

GLOBAL NEURODIAGNOSTICS
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled, "SURGICAL INTRA-OPERATIVE MONITORING SERVICES AGREEMENT", dated June 17, 2003, and further identified as County Agreement No. H-700047, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to incorporate changes previously made to the maximum obligation through Administrative Amendments in accordance with Paragraph 5, subparagraphs F and G;

WHEREAS, it is the intent of the parties to increase the maximum obligation provision of the Agreement; and

WHEREAS, said Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective upon date of Board approval.

2. Paragraph 5, MAXIMUM OBLIGATION OF COUNTY, subparagraph E, shall be revised as follows:

“E. The maximum obligation of County for all services provided hereunder shall not exceed the total of the following: Seventy Three Thousand, Six Hundred Twenty-Five Dollars (\$73,625) annually for the period January 1, 2007 through December 31, 2008; One Hundred Three Thousand, Seventy Five Dollars (\$103,075) for the period January 1, 2009 through November 16, 2009; Forty Six Thousand, Nine Hundred Twenty Five Dollars (\$46,925) for the period November 17, 2009 through December 31, 2009; and One Hundred Fifty Thousand Dollars (\$150,000) annually for the period January 1, 2010 through December 31, 2011, at the rates set forth in Schedule A-1.”

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director of Health Services

GLOBAL NEURODIAGNOSTICS
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL